Section IV. Background Information

Transportation Needs (See Appendix A)

- The state must find a way to address growing transportation needs.
- Through the year 2030, needs include more than:
  - $22.6 billion in highway improvement; and
  - $5.4 billion in transit improvements.

The importance of transportation infrastructure to the state's economy and the general well being of its citizens is difficult to overstate. Transportation needs of both urban and rural areas require continual assessment, advanced planning, thoughtful project development and implementation, and funding. But the obligation does not stop with a completed construction project. Maintenance and operation of transportation infrastructure must be done vigilantly throughout the useful life of each facility. In addition, rural area transportation needs must never be forgotten or ignored.

Highway

The UDOT (Utah Department of Transportation) and the MPOs (Metropolitan Planning Organizations) are required to develop a fiscally constrained long range plan to address transportation needs. Current Planning efforts extend to the year 2030. The plans assume that the equivalent of a five-cent per gallon gas tax increase will be enacted by the Legislature every six years beginning in 2005. Under current estimates each penny per gallon increase in the motor fuel and special fuel tax rate yields $13 million annually. A five-cent increase would generate $65 million annually. The anticipated revenues in these plans do not fully fund the transportation needs that have been identified. Total highway needs through the year 2030, exceeds $22.6 billion.

2030* Transportation Needs (Reconstruction, Major Rehabilitation, and Capacity Improvements)	
WFRC MPO	$10,899,700,000
MAG MPO	4,440,100,000
Cache MPO	426,800,000
Dixie MPO	426,700,000
UDOT Non-MPO	6,477,743,000
Total	$22,671,043,000

*The amounts listed for the Cache and Dixie MPOs are funding distribution estimates. Long Range Plans for these organizations have either not been updated for several years (Cache), or not been developed (Dixie).

Source: UDOT 11/12/2003

Transit

The UTA (Utah Transit Authority) which provides public transit services along the Wasatch Front to 80 percent of the state's population, will need $5.4 billion in the next 27 years to fund the construction of commuter rail, light rail extensions, bus rapid transit lines, and some expansion of existing systems. An additional $1.7 billion will also be needed to fund bus and rail car replacements through the year 2030. The Wasatch Front Regional Council has recently approved for public comment a plan which assumes that the equivalent of a ½ cent sales tax increase for transit will be allowed by the Legislature and passed by the voters within UTA's jurisdiction by 2006. The Plan includes 40 miles of light rail additions, commuter rail from Brigham City to Payson, and Bus Rapid Transit serving areas in Weber, Davis, Salt Lake, Utah, and Tooele Counties. The additional sales tax revenue would generate approximately $130 million per year for construction and operation of transit improvements and allow much of the Plan to be completed before 2020.

The 2030 long range capital improvement needs reported for the other transit districts in the state are:

- $90 million for the Cache Valley Transit District and the Logan Transit District;
- $90 million for the Park City Transit District; and
- $100 million for the Sun Tran Transit District (in St. George).

New Revenue (See Appendix C and D)

- New revenue for highway and transit is needed.
- The Legislature must address this need.

After numerous in-depth discussions on dozens of revenue options to enhance transportation funding, the Task Force agreed on the criteria shown in the adjacent table to evaluate potential revenue sources.

Evaluation Criteria (Good Option Tests)

1. Is it a public priority? Can the taxpayer afford it?
2. Can it work now? Can it work in the future?
3. Is it fair (equity e.g. urban vs. rural)?
4. Can it be administered effectively and economically? (is it certain, easy to pay, easy to collect)
5. How will it affect taxpayer behavior?
6. What is the potential for tax evasion?
7. Is it reliable (consistent revenue stream)?
8. Is it worth it? (cost vs. benefit)
9. Does it instill improved state/local cooperation, participation, and planning?

Sales tax on motor vehicles and motor vehicle related parts and services account for 15.8% of the total sales tax revenue generated in the state over the last 13 years. The state's sales tax revenue is deposited in the General Fund and accounts for approximately 85% of the total General Fund revenues.

Fuel tax revenue is deposited in the Transportation Fund and accounts for approximately 85% of the total Transportation Fund revenues. Vehicle registration fees account for approximately 7.4% of the total Transportation Fund revenues.